

European Scrutiny Committee

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From: Sir William Cash MP

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Victoria Atkins MP

Parliamentary Under Secretary of State and Minister for Safeguarding

Home Office

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UK withdrawal from the Fund for European Aid to the Most Deprived

I am writing in response to the letter dated 18 February 2020 from the former Permanent Secretary at the Home Office (Sir Philip Rutnam) informing us of the decision taken by Home Office Ministers to withdraw from the Fund for European Aid to the Most Deprived ("FEAD").¹ The decision means that the UK will no longer claim its allocation—£3.46 million—of the Fund for the period 2014-2020, even though it is entitled to do so under the terms of the EU/UK Withdrawal Agreement. Indeed, in your [letter of 27 September 2019](#) to the House of Lords European Union Committee, you confirmed that if the UK left the EU on the terms envisaged in the Withdrawal Agreement, the UK would "still benefit from the FEAD under the Multiannual Financial Framework (MFF) 2014-20 as if it was still a Member State".

Our predecessor Committee made clear its concern that Government delays in submitting an operational programme to deliver the Fund had put at risk a source of funding and material assistance for some of the most vulnerable in society. In his letter, Sir Philip Rutnam indicates that the decision to withdraw from the Fund was "due to European Commission accounting rules" which affected the amount of funding the UK could access and would not allow the UK to deliver "a comprehensive programme in the way it was originally envisaged".

We find this difficult to reconcile with the assurance you gave to the Lords European Union Committee in September 2019 that the Government would be

¹ See [Regulation \(EU\) 223/2014](#) establishing the Fund.

"complying stringently with European Commission rules regarding the proportion of funding that can be spent on administration and management costs" and that "no more than 5% of FEAD funding" would be spent on management costs, "with the clear majority of funding dedicated to 'on the ground' activity". We note, moreover, that the purpose of the Fund is to "complement sustainable national poverty eradication and social inclusion policies, which remain the responsibility of Member States"—a recognition that each Member State's allocation of funding would not, by itself, deliver a comprehensive programme, but could make a useful contribution to "the reduction of poverty, and ultimately the eradication of the worst forms of poverty, in the Union by supporting national schemes", with a particular focus on alleviating "forms of extreme poverty with the greatest social exclusion impact, such as homelessness, child poverty and food deprivation".²

We understand that the Home Office did submit the UK's operational programme to the European Commission for approval in July 2019. We ask you to explain:

- why, having put the necessary governance structures in place and signed a service level agreement with the Government's Internal Audit Agency, Home Office Ministers decided to withdraw from the Fund;
- when the decision to withdraw was taken;
- when this decision was communicated to the European Commission; and
- whether the Government intends to fill the gap left by the loss of this source of EU funding by committing to provide an equivalent additional sum for the vulnerable groups targeted in the UK's operational programme up until the Fund's expiry date at the end of 2020.

We look forward to receiving your response by the end of March 2020.

We are copying this letter to Yvette Cooper, Chair of the Home Affairs Committee, and Elizabeth Hunt, Clerk of the Home Affairs Committee; Stephen Timms, Chair of the Work and Pensions Committee, and Anne-Marie Griffiths, Clerk of the Work and Pensions Committee; the Earl of Kinnoull, Chair of the EU Select Committee in the House of Lords and Christopher Johnson, Clerk of the Lords EU Select Committee; Mark Leslie, your Departmental Scrutiny Coordinator; and Les Saunders and Donald Harris in the Cabinet Office.

CHAIR

² See recital (7) of Regulation (EU) 223/2014.